

Western Group Privatization Project RFP Clarification Questions and Answers

No.	<i>Round Two</i>		<i>Questions 32 - 79</i>
9/1/2010			
32.	Q:	It is stated that we may use Past Performance Questionnaires that we submitted as part of a proposal for Southern Group to meet the requirement for the Western Group Project. May we also use Past Performance Questionnaires that we recently submitted for the JBER Project?	
	A:	Pursuant to Subsection 4.15.1.6 a "Past Performance Questionnaire" (RFP Appendix J) which was previously prepared by a former client and submitted as part of a proposal for another housing privatization solicitation, can be submitted as part of the Offeror's proposal for the Western RFP. If an Offeror submitted a proposal for either the Southern or JBER HP Projects, then any Past Performance Questionnaire submitted as part of those proposals may be submitted as part of the Offeror's Western proposal. The Offeror must send a written request to the PRESS for the other Project, asking that electronic copies of Questionnaires be sent to the Western Group PRESS via email at western.emaxllc.com, or via fax at 212-813-3505.	
33.	Q:	Please clarify where we may find these Monthly Occupancy Reports for each base.	
	A:	Monthly occupancy data for each Base will be posted, as available, on the Base "Document Room" section of the Western Group website at http://amafpress.com/projects/western/documentroom.php	
34.	Q:	Does Malmstrom have any pre-approved demolition contractors?	
	A:	No.	
35.	Q:	Does MAFB desire underground lawn sprinkler systems to be installed for all units?	
	A:	No, underground lawn sprinkler systems are neither a requirement nor a desired feature at MAFB.	
36.	Q:	How will the PO be charged for street lighting, will meters be required?	
	A:	The PO will be billed by the Government for electric usage on a monthly basis. The exact method for calculating the bill will be negotiated between the parties during the exclusive negotiation period. The PO may be charged for the cost of electricity actually used to provide street lighting (which may require some additional metering) or the PO may agree to pay a monthly flat fee. The PO will be required to reimburse the Government on a monthly basis. Subsection 3.4.4.5.3 provides that if the Government continues to be the electricity provider, the commodity will be charged at rates determined in accordance with the "Military Housing Privatization Initiative (MHPI) Utility Reimbursement Policy" which was provided in Appendix F to the RFP.	
37.	Q:	The RFP requires all above ground utilities to be removed, are there any above ground utilities at MAFB that need to be removed?	
	A:	No. There are some existing above ground utilities at MAFB that will be conveyed to the PO at transaction closing but they do not require demolition. The only utilities that must be demolished are shown on the MAFB utility drawings.	
38.	Q:	Do the 52 demolition units in Parcel 4-M contain asbestos or lead based paint?	
	A:	The Government does not have adequate records to substantiate the status or presence of ACM or lead based paint in the 52 units targeted for demolition in Parcel 4-M.	
39.	Q:	Will an environmental survey and disclosure of any environmental issues occurring during the IDP need to be provided by the PO to the government prior to re-conveying Parcel 6-M?	

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	A:	Yes. The Lease of Property includes an acknowledgment that the EBSs and other environmental reports provided to the PO at transaction closing collectively set forth environmental conditions of the Leased Premises as of the date stated in such environmental reports. A separate EBS will be prepared and signed by the Parties at the time of the expiration or earlier termination of the Lease or any portion thereof. Each final EBS will document the environmental conditions affecting the Parcel to which it applies on the Lease expiration or termination date as determined from the records and analyses reflected therein. The final EBSs, along with the Initial Environmental Reports and all other available information will be used by the Government in determining whether the PO has fulfilled its obligations to maintain and restore the Leased Premises including without limitation, all obligations set forth in Condition 9 and Condition 10 of the Master Development and Management Agreement.
40.	Q:	Is there a borrow pit on MAFB?
	A:	No, all fill material will need to come from off Base and the haul route proposed by the PO must be pre-approved by the Government.
41.	Q:	There are numerous large mature trees in the demolition areas on MAFB, does the base want these trees removed or preserved?
	A:	Subsection 3.3.4.1.2 "Landscaping" provides: Existing trees shall be saved to the maximum extent possible. It is the Government's desire that as many healthy mature trees as possible be preserved.
42.	Q:	The storm drainage drawing for MAFB does not show any demo requirement, are there any storm drain demo requirements at MAFB?
	A:	No. There are no storm drain demolition requirements at MAFB.
43.	Q:	Section 4.11, page 124 states "The electronic submittals shall be compatible with the following equipment and software products: AutoCAD format for drawings." Can the required drawings be submitted in a format such as pdf in lieu of actual AutoCAD format to make sure that they can be viewed properly?
	A:	Required drawings must be submitted in AutoCAD and they may also be submitted in Adobe Acrobat Reader 8.0 format.
44.	Q:	How many Prestige units are there at Beale and Warren?
	A:	Currently there are 7 Prestige units located on Altamonte at BAFB and only one unit is occupied. Currently FEWAFB has 7 Prestige units. The Wing CCM and 20th AF CCM at FEWAFB currently reside in SGO units on Ft Warren Ave (Units 111 and 120).
45.	Q:	Are Arctic Rooms desired in the historic units and/or the units in Atlas at FE Warren?
	A:	No, Arctic Rooms are not desired as part of the renovation work in the historic units or in the Atlas units at FEWAFB.
46.	Q:	Are Arctic Rooms desired at the existing units at Malmstrom?
	A:	No. Arctic Rooms are not desired and there are no renovation requirements for Arctic Rooms for existing units at MAFB.
47.	Q:	There are many cases where 2-bedroom units are being conveyed, and are classified "as-is". Is there a desire to convert these units to 2-bedroom-modified units?
	A:	The conversion of existing 2-bedroom units to 2-bedroom-modified units is not stated as a requirement or as a desired feature in the RFP. There is also no prohibition from converting existing 2-bedroom units to 2-bedroom-modified units. The Offeror, at its discretion, could propose to convert the units.
48.	Q:	Some of the units currently indicated as accessible, and classified "as-is" do not appear to be accessible based on the units plans. Will these units need to be modified to be fully accessible?

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	A:	Subsection 3.3.5.1.2 of the RFP requires that at least 5% of the total end-state number of housing units must be either handicap accessible, or "readily adaptable" to be accessible. The Offeror may assume that this 5% requirement at MAFB and WAFB has been met as the result of ongoing MILCON renovation and construction work. The Offeror shall be responsible for meeting the 5% requirement at BAFB and FEWAFB. Whether that requirement is met by new construction or renovation is at the discretion of the Offeror.
49.	Q:	Do we need to have 5% accessible units at Malmstrom and Whiteman? If so, what is the accessible count by rank and bedroom count of the conveyed units that are to remain?
	A:	Please see the answer to question #48 above.
50.	Q:	We have interpreted Section 3.2.2 to mean that proposals should assume the payment of property taxes in pro forma models only for F.E. Warren and Malmstrom AFBs, without any additional property tax reserve, and then a property tax reserve only for Beale and Whiteman AFBs? Is this interpretation correct?
	A:	The Offeror's proposal shall model and budget for the annual payment of property taxes for FEWAFB and MAFB and shall provide a narrative describing its plan for utilizing any savings during the Project that may be realized from an exemption from or abatement of property taxes for those Bases. Subsection 3.2.2 also provides that proposals shall assume that a tax reserve equal to twelve months of tax payments for BAFB and WAFB will be funded at closing and those costs must be included in financial projections. (Also see Subsection 3.2.3.2 "Impositions Reserve Account")
51.	Q:	Section 2.3.1 states that all parcels of land located at Beale and F.E. Warren are under Exclusive Federal Jurisdiction, while parcels located at Malmstrom and Whiteman are subject to either Proprietary or Concurrent Jurisdiction. Therefore, would it be more appropriate to model a property tax reserve only for Beale and F.E. Warren, the two bases which fall under Federal Jurisdiction, with full property taxes modeled for the bases subject to Proprietary or Concurrent Jurisdiction? On this point we are seeking clarification as to whether there was meant to be a linkage between the tax jurisdictions in effect at each installation with what the model should assume for each installation in terms of property taxes.
	A:	No, there was no intention to create a linkage between tax payment requirements and Installation jurisdictions. The requirement to create tax reserves was based on a Government policy. The Offeror must model and budget for the annual payment of property taxes for FEWAFB and MAFB and model and fund at transaction closing a tax reserve for BAFB and WAFB equal to twelve months of tax payments.

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52.	Q:	Based on experience with previous MHPI Projects, we believe that the “Income Approach” is the appropriate method for determining the assessed value of the properties which will be subject to ad valorem taxation at each installation. A key determinant in assessing the value of the conveyed property and therefore the tax expense incurred by the Project Owner is the “Cap Rate” applied to the overall valuation model. Cap Rates are generally accepted to be primarily determined based on the sales of comparable income producing properties in the surrounding geographic area. It is difficult to identify an appropriate recently-sold property that can be used to determine a realistic Cap Rate to arrive at the value of the leased property and conveyed homes. Regardless of the proposed value of the property we believe the likelihood is that all developers will face a similar tax burden when property taxes are assessed post-award. Is it possible that a simple property value at all installations be provided, or alternatively an acceptable universal CAP Rate be supplied as part of the RFP? We believe taking this approach will help to ensure competing proposals could be objectively evaluated without material variances in property tax obligations as a result of the application of differing Cap Rates or valuation methodologies.
	A:	No, the RFP will not be amended to provide a property value for each Installation or an acceptable universal CAP Rate. Offerors must develop their own property tax estimates based on due diligence.
53.	Q:	Section 3.5 does not contain any discussion of Severability Plan as referenced in that Section. Does the AF plan on providing the narrative on Severability Plan?
	A:	No. Please refer to RFP Subsection 3.3.4.1 which describes the Severability Plan and how it is a component of the Community Development Plan submitted by the HRO. Also note the submittal requirement in Subsection 4.13.3.2 which requires the Offeror to provide a narrative related to the Severability Plan. The Offeror's Property Operations and Maintenance Strategy will be evaluated (see Subsection 5.8.1.2), based in part, on its narrative of a Severability Plan.
54.	Q:	In the first round of Q & A, question 1, you referenced where Amendment 1 amended subsection 4.15.1.6 with reference to past performance questionnaires. We cannot find where in Amendment 1 you reference this section or topic. Can you please clarify what you mean by, “Past performance questionnaires that were submitted as part of a proposal for the Southern Group Project many be submitted for the Western Group Project?”
	A:	Please see the Answer to Question # 32, above.
55.	Q:	FE Warren AFB: Section 3.3.5.1.12 states “All units shall be provided with high-energy efficient heating and ventilation.” This section proceeds to state that “Central air conditioning systems shall be new and from an established manufacturer.” Therefore, are central air conditioning systems required at the new units at FE Warren even though they are not currently used at this base?
	A:	Yes. Subsection 3.3.5 establishes New Housing Construction Requirements. Subsection 3.3.5.1.12 provides that all new construction shall include high-energy efficient heating and ventilation. Central air condition systems shall be new and from an established manufacturer. Accordingly, any new construction at FEWARFB must meet this equipment requirement.
56.	Q:	Whiteman AFB: Please define the size of a half-Olympic swimming pool (Section 3.3.4.3). Is this pool 25 meters in length with 10 lanes? Is this pool 25 meters in length with 5 lanes? What are the exact dimensions for this pool?
	A:	The pool shall be at least 25 meters in length, with ten lanes at 2 ½ meters in width. Please refer to the Federation International Nation Association (FINA) specifications for construction requirements for a half-size Olympic Pool.

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57.	Q:	“Winter exclusion indicates no vertical construction or demolition activities between 1Nov-1May. Unclear why vertical construction activities such as slab construction, framing, roofing, etc. could not continue through this time frame.”
	A:	Please refer to Item #37 in Amendment 2 regarding Subsection 3.4.4.2 of the RFP (dated 30 Aug 2010).
58.	Q:	Item #19 in Amendment #1 requires that “Submitted floor plans shall provide modern interior design presenting a sample furniture layout for BAFB and FEAFB Prestige Housing”, however the RFP section 4.13.2.2 does not specifically include “Prestige Housing” in the list of composite floor plans that we are required to submit. Is this a typographical error or is the Air Force requiring that we submit floor plans for Prestige housing as well?
	A:	A clarification to Subsection 4.13.2.2 was made in RFP Amendment 2. Please refer to Item #44 and Item #45 in Amendment 2 to the RFP (dated 30 Aug 2010) for the submittal requirement for floor plans.
59.	Q:	The RFP states that the electric utility at Beale AFB is jointly provided by WAPA and PGE; can an Offeror propose with the assumption to utilize one provider for the entire base or is the division of the electrical provider not amendable?
	A:	A clarification to Subsection 2.3.4.1.1 was made in RFP Amendment 2. Please refer to Item #33 in Amendment 2 (dated 30 Aug 2010). Western Area Power Association (“WAPA”) provides the electric power to Beale AFB.
60.	Q:	Regarding the Western Group Solicitation issued on July 21, Section 5.6.1 indicates that the Offeror is required to complete a comprehensive Financing Competition, the results of which will be to recommend a financing firm that offers the most advantageous financing for the Project. Based upon previous informal indications we had received during the industry forum, we were under the impression that this proposal would be similar to the Southern Group RFP and that letters of interest obtained from potential lenders would suffice for the purposes of selecting the Western Group HRO. We are fully prepared to commence a financing competition, however we wanted to make certain that this was the actual intent of the RFP prior to engaging the financing firms in this regard.
	A:	This submittal requirement for the Western Group RFP differs from the Southern Group RFQ requirement. Subsection 3.2.1.1 establishes submittal requirements for private sector financing. Subfactor 5.6.1 describes related evaluation criteria. Subsection 6.3.2 describes HRO post-notification requirements regarding the financing competition.
61.	Q:	In a past Air Force RFP solicitation (Southern Group), the Offeror was not permitted to use project dollars to make renovations/repairs of any kind to Financial Excluded Units (FEUs). However, for the Western Group, some minor repairs and desired features are identified for units that are classified as FEUs. Please clarify whether or not project dollars (generated by “debt-sizing” units) may be used to provide scope for FEUs.
	A:	This requirement for the Western Group RFP differs from the Southern Group RFQ requirement. Project dollars, including those generated by “debt-sizing” units, may be used to provide scope for FEUs. However, NOI from FEUs cannot be used as a source of construction funds during the IDP.
62.	Q:	Utility estimates per unit appear to be exceptionally high at some bases (particularly FE Warren and Whiteman). Please verify that the rates and consumption estimates are accurate. Please provide any additional details regarding utilities if available
	A:	Estimated utility costs identified in Appendix E are the “best estimate” available to the Government.

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63.	Q:	The RFP states in section 3.4.4.6.7.1 “The PO shall maximize the recycling of salvaged materials through approved salvage companies.” Please provide a list of approved salvage companies and please explain why the Gov’t chooses to control the salvage process.
	A:	As part of the HRO’s Demolition Plan, salvage companies and facilities will be identified and approved or disapproved by the Government. The Government has chosen to participate in the salvage process to protect its interests.
64.	Q:	The Whiteman AFB Appendix B lists a number of units with the same Floor Plan Type, but a different Facility Type. For example, Facility nos. 73040 and 73021 are both listed with floor plan PA-L3-2, but 73040 is listed as a Duplex and 73021 is listed as a Single Family. This doesn’t seem to be correct?
	A:	Please see Item #24 in Amendment 1 to the RFP (dated 9 Aug 2010) regarding the revised Appendix B for WAFB.
65.	Q:	I wanted to clarify that the consumption presented for FE Warren AFB is actually the gross consumption and not per unit consumption as stated on page E-2.
	A:	Agreed. The information presented for FEWARFB is annual gross consumption and not per unit consumption. The estimate is based on a square footage comparison.
66.	Q:	For Whiteman and Malmstrom AFB’s, there is a considerable amount of work ongoing. The data provided in Appendix E would be considerably more valuable if we had some kind of estimate of the average number of units online in 2009 (the year of the consumption data). For Beale and FE Warren it is not so important since there appears to be no major construction that would have limited unit availability
	A:	Please refer to the monthly occupancy data posted, as available, on the Base “Document Room” section of the Western Group website at http://amafpress.com/projects/western/documentroom.php
67.	Q:	It is stated that some of the Malmstrom consumption (the non-Minuteman Village units) is based on a percentage of total base usage. What is the percentage and how was it derived? Will that be the basis for billing going forward unless some other kind of mass meter is installed by the PO?
	A:	The consumption information for MAFB was prepared by the Base utility engineer. Please refer to RFP Subsection 3.5.3.4 “Utility Allowance”.
68.	Q:	As it relates to question 2 above, is it possible to provide occupancy units to all of the prospective offerors to help us in making operating assumptions that are reasonable? We would be interested in a rent roll that shows which units have been occupied units on each base for the past year or two along with a total number of occupied units by month. We aren’t really interested in percentages, but would love to know actual occupied unit counts periodically. This would be helpful back through at least the beginning of 2009 as it relates to utility data. (This information is also especially relevant in a place like FE Warren where the spread in utility consumption between an Officer’s Bricks home and an Atlas home is substantial. We’d like to know where the vacancy has been located in order to help us provide a competitive price.)
	A:	Information regarding historical monthly occupancy can be found, as available, on the Base “Document Room” section of the Western Group website at http://amafpress.com/projects/western/documentroom.php
69.	Q:	Please provide CAD files of the existing units and site areas
	A:	All available files have been posted on the Western Group website.
70.	Q:	The RFP indicates that playgrounds cannot be installed along the base perimeter. Can they be placed along the perimeter if they are installed +50m from the fence line?

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	A:	No, playgrounds cannot be installed along the Base perimeter. Please refer to Subsection 3.3.4.2.4 of the RFP which states: All new recreation areas shall not be located along the Base perimeter.
71.	Q:	Is PEX an acceptable alternative to copper?
	A:	Yes.
72.	Q:	Section 3.3.5.1.10- Please clarify the term, "hardfinish flooring".
	A:	Hardfinish flooring surface refers to a surface such as solid hardwood, porcelain tile, granite tile, or natural stone.
73.	Q:	Please provide the soils reports that would have been completed for the Mountain View construction from 1998 and the soils reports that would have been completed for the Brook View construction from 2002.
	A:	The BAFB soil reports may be obtained on a CD by written request to the BAFB POC: Gwen Vergara, (530) 634-3455.
74.	Q:	Provide sanitary sewer information at housing areas, such as as-builts, plans, cad dwgs, etc. How far are the sewer lines from back of curb?
	A:	The BAFB sewer system information may be obtained on a CD by written request to the BAFB POC: Gwen Vergara (530) 634-3455.
75.	Q:	Is the conveyance of Candy Cane Park optional?
	A:	No. Parcel B-3, including Candy Cane Park, will be conveyed to the PO at transaction closing.
76.	Q:	Please provide Square footage of Blue Spruce Units.
	A:	Please refer to Appendix B, FEWAFB, for the requested unit square footage information.
77.	Q:	What government owned facilities will the Project be required to install water meters on?
	A:	None are known at this time.
78.	Q:	As per section 3.4.4.6.7.3.1 of the RFP, what are the demolition requirements for the 20 units being removed by the Rocky Boy Reservation / Chippewa Cree Tribe at Malmstrom AFB?
	A:	The PO will demolish the foundation of any of the units removed by the Indian Tribe and either prepare the ground for new units to be built by the PO or grade and treat the ground for other purposes in the future. Any of the 20 units that are not removed by the Indian Tribe will be conveyed by the Government to the PO for demolition during the IDP. Proposals should model full demolition costs for all 296 units targeted for demolition at MAFB.
79.	Q:	If the Blue Spruce units are being conveyed in order to be converted into a co-located housing management office, shouldn't the end-state be 745 units? The Blue Spruce units will not be leased to target tenants in this case. In addition, which of the ranks will have their units reduced, and in which bedroom category?
	A:	The four (4) Blue Spruce units are not being conveyed for the single purpose of being "converted into" a co-located housing management office. That is one of the options available. The units will be conveyed to the PO at closing and the PO has the option of converting them into a co-located Housing Management Office, or not. If the Offeror chooses the option of converting the units into a co-located Housing Management Office, then it will be necessary for the PO to construct, at a minimum, four (4) additional housing units during the IDP to meet the end-state requirement of 749 units, in accordance with Project development demographics. If the PO chooses to construct a new co-located Housing Management Office, then the PO must operate and maintain the Blue Spruce units as privatized housing or for some other purpose that is acceptable to the Government. In any event, the end-state requirement is 749 housing units.